



February 12, 2001

MEMORANDUM

**DUKE
UNIVERSITY**

To: Members of the Duke University Board of Trustees

From: Nannerl O. Keohane

Subject: Summary of Activities

I am pleased to provide this report of activities since the Board's December meeting. As always, please feel free to contact me if you have questions about any of these items.

John Hope Franklin Center for Interdisciplinary and International Studies

I write following an extraordinary week of celebratory programs honoring James B. Duke Professor Emeritus John Hope Franklin and the Center that bears his name. As you know, the new Center, a consortium of 15 different university programs, is emerging as a signature program for Duke in its emphasis on how scholars in the humanities, arts, and social sciences think about the world in a globally connected age. Through collaborative research and innovative teaching, the Center's main focus will be on the human condition, with special emphasis on race and on the African-American experience. We expect this unique approach will move the university to a central and critical position of leadership in the search for national and global resolutions of issues around race, ethnicity, gender, wealth, poverty, national interests, and international needs.

Highlights of the weekend, in addition to the formal ribbon-cutting on Friday and an open house for the Durham community on Sunday, were two very special events. James A. Joseph, former U.S. ambassador to South Africa and professor of the practice of public policy at Duke, presented this year's Anthony Joseph Drexel Biddle, Jr. Lecture on "Ethics and Diplomacy: What I Learned from Nelson Mandela." The next evening almost 300 people, including many Trustees from around the country, paid tribute to John Hope and the new Center. Grammy Award-winner Nnenna Freelon provided a dazzling musical tribute, and Bill Cosby, a dear friend of John Hope's, filled the room with laughter and joy appropriate to the affection everyone felt for America's great chronicler of the African-American experience. Several of John Hope's Ph.D. students from across the country, as well as members of his family, were present, as was the Rev. Jesse Jackson, who earlier in the day spoke at the law school.

One of the highlights of the evening was a ten-minute clip from a soon-to-be-aired PBS documentary entitled "Tutu and Franklin: A Journey Towards Peace." Mary Braxton Joseph, Jim Joseph's wife and herself an Emmy Award-winning journalist, was instrumental in bringing John Hope together with Archbishop Desmond Tutu, on Goree Island, the infamous former slave port off the coast of Senegal. They engaged in a week-long conversation that also involved 21 teenagers, seven from the United States, seven from South Africa, and seven from Senegal. All participants shared their personal stories and confronted their own conflicting ethnic stereotypes about each other. We are distributing a copy of "Tutu and Franklin" to every public school in Durham in the hopes that the wisdom of these two remarkable leaders, and the young people with whom they shared their experiences, can help the young people of our own community come together in their own journeys towards peace.

I want to acknowledge the wonderful leadership of Vice Provosts Bruce Kuniholm and Cathy Davidson, and Dean Karla Holloway, in planning a marvelous week of intellectual and social events that truly made the launch of the Franklin Center a resounding success.

Duke's First International Campus

In January, Duke opened its first international campus in Frankfurt, Germany. The newly constructed campus, which houses all of the Fuqua School of Business Europe programs, replicates the classroom and living quarters of the R. David Thomas Executive Conference Center. Forty-seven students from across Europe are enrolled in Duke's newest MBA program, The Duke MBA-Cross Continent, and are the first to experience the new campus. It consists of 110 lodging rooms equipped with high-speed Internet access and desk space, faculty and staff offices, state-of-the-art classrooms, small conference rooms for team work sessions, and dining facilities and recreational space. Fuqua Dean Rex Adams recruited his predecessor, Tom Keller, to oversee negotiations for the development of the new campus, which is off to a very successful start.

You will know as well that in January we were pleased to announce the selection of finance scholar and entrepreneur Doug Breeden to succeed Rex Adams as dean of The Fuqua School of Business when Rex steps down at the end of this academic year. Breeden currently is the Dalton McMichael Professor of Finance at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. He has been a long-time member of the Fuqua faculty, member of their Board of Visitors, and the founder and president of a leading consulting and money management firm. As you know, Fuqua's academic plan calls for increasing its faculty by 50 percent over the next five years, as well as continued growth of its world-renowned corporate education program. We believe that Doug Breeden's scholarly background, as well as his experience as a manager of highly successful banking and investment firms, make him the right person to build on the exceptional foundation which Rex Adams has developed as dean of the Fuqua School.

Admissions Update

Director of Undergraduate Admissions Christoph Guttentag reports that the university has received a record number of applications for admission this year from African-American, Asian, and Latino high school seniors. As you know, increasing the diversity of our undergraduate student body is a high priority, and we are encouraged by this news. We attribute the increased interest from minority students to the university's recruitment efforts and to the fact that Duke already enrolls a significant number of minority students, and particularly African-Americans. We have made a conscious effort in the past few years to be more targeted and focused in our recruitment of Asian and Latino high school seniors, and it appears that we are making good progress. Guttentag also reports that the quality of the applicant pool is the strongest we have yet seen. While the total number of applications has increased only slightly this year, we are seeing greater numbers of exceptionally qualified students applying and fewer applicants at the lower end of the pool.

We've received another signal that our efforts to make Duke a more welcoming and diverse campus are being recognized. A recent survey of more than 900 black higher education officials, as reported in *Black Enterprise* magazine, ranked Duke as the 16th best college in the country for black students to attend. The rankings included evaluations of academic and social criteria at some 482 U.S. colleges and universities with a black student enrollment of at least 3 percent. Duke's ranking rose from 20th last year, which was the first time *Black Enterprise* conducted a national survey to rate the Top 50 schools for black undergraduates.

Construction Update

Trustees who have visited the campus recently will note a flurry of construction. On Towerview and Science drives, workers have been laying pipe for a new West Campus Chiller Plant. The new West Edens Link residence hall continues to make good progress and should be completed in time for the opening of school in August 2002. Other projects on track this year include the Garden's Doris Duke Educational Center, the Richard White Lecture Hall on East Campus, the new football facility, and a new book and archive storage facility off-campus. On the medical center side, much of the work to renovate and upgrade Duke South has now been completed, as has the enhancement of the women's and children's inpatient facility in Duke North. In addition, a new laundry to serve the needs of Durham Regional Hospital and Duke University Hospital is nearing completion.

The Campaign for Duke

The Campaign for Duke has raised \$1.49 billion, and all divisions of Duke continue to make at least steady progress toward their goals, with three - the Pratt School of Engineering, the Divinity School, and the Department of Athletics - already beyond their original

overall objective. Two more, The Fuqua School of Business and the University Libraries are on the verge of eclipsing theirs. Our deans and their development staffs deserve a great deal of credit for these results, as does our leadership team of John Piva, Bob Shepard, and the Campaign Steering Committee led by Trustee Pete and Ginny Nicholas.

We have announced a number of major gifts in the past few months, several of which are highlighted below.

In mid-December, Duke alumni Michael and Patty Fitzpatrick donated \$25 million each to Duke and Stanford to establish new centers for advanced photonics. This gift will enable the Pratt School of Engineering to provide national leadership in research and teaching in one of the most exciting and promising technologies of the 21st century. As Dean Kristina Johnson reported to the Trustees earlier this year, photonics, a technology that melds light with electronics, is at a stage of development similar to where electronics was in the 1950s. It promises high-speed, broadband fiberoptic Internet communications for use in next-generation applications in education, medicine, entertainment, and commerce. This new center will allow Duke to educate future generations of photonics engineers and to develop partnerships with industry in the Research Triangle Park and elsewhere that will bring the latest advances in photonics technologies to market for the betterment of society. We are greatly encouraged by the collaborations being developed in photonics. In developing plans for the new Fitzpatrick Center for Advanced Photonics and Communications, Dean Johnson and her faculty are working with faculty colleagues at North Carolina State University, UNC-Chapel Hill, and several of the UNC campuses across the state. As you know, such collaborations are a priority in our long range academic plan. With some 15 percent of the nation's electronics engineers living and working in North Carolina already, Dean Johnson reports that photonics could create the kind of technological advances and economic growth in North Carolina currently found in California's Silicon Valley.

In January, Duke announced a \$10 million gift from Anne and Bob Bass to strengthen our undergraduate curriculum and teaching. As you know, Anne Bass serves on our Campaign Steering Committee, and this is the Basses' second \$10 million gift to Duke in less than five years. Their initial gift established the Bass Society of Fellows at Duke; their latest gift is intended to enhance undergraduate education and provide incentives to other donors to do the same by matching their gifts. The gift will provide funds both to expand Duke's pioneering FOCUS (First year Opportunity for Comprehensive Unified Studies) Program and to prepare selected graduate students for undergraduate teaching. The FOCUS program, begun in 1974, is Duke's approach to the critical first semester. Each matriculating student is given the opportunity to apply for a place in FOCUS, where

students have the chance to participate in small classes on subjects taught from different perspectives by some of Duke's most distinguished professors. The other half of the gift will establish the Bass Undergraduate Instructional Program, which will provide annual funds for approximately 15 advanced graduate students to be trained for and then to teach an upper division undergraduate course in their field of research. We are deeply grateful to Anne and Bob for their vision and commitment to support innovative programs that enrich the quality of the educational experience we offer our students.

Also in January, the Duke Divinity School announced a wonderful \$10 million grant from the Lilly Endowment that will significantly transform the school's approach to theological education. The Learned Clergy Initiative is designed to inspire a new generation of clergy who view ministry as a fulfilling vocation where they can make a real difference in leadership in their communities. The initiative supports 60 three-year fellowships over the next five years for students at the Divinity School, which significantly increases the number of full scholarships available to students in our master of divinity program. It also calls for a series of sustained learning opportunities that will bring together clergy and lay leaders with faculty and divinity students for study, reflection, and conversation. Dean Greg Jones believes these interrelated projects will focus on developing the moral and theological imagination required for strong congregational leadership.

Duke-Durham Relations

Community participation events like the launch of the John Hope Franklin Center remind us that Duke and Durham share much in common, and we continue to strengthen the ties between town and gown.

A few weeks ago, we announced that The Duke Endowment was giving \$417,994 to support priorities of the Neighborhood Partnership Initiative, including support of affordable housing in Walltown and teen mentoring and youth programming in West End. The funds make possible a major new community initiative - the development of a grassroots plan for the Southwest Central Durham neighborhoods involving all of the nonprofit service providers in the West End community. The grant also will fund an innovative gardening project developed by Lakewood Elementary School, members of Duke University Retirees Outreach, and South Eastern Efforts Developing Sustainable Spaces (SEEDS), a community-based learning-through-horticulture program. When we count support for Walltown Neighborhood Ministries, a partnership between Duke's Divinity School and five churches in Walltown that are collaborating to improve the quality of life in that community, the Endowment has contributed \$1.7 million over the past three years to support our collaborative programs with low-income neighborhoods near the campus. We are very grateful for this partnership in achieving one of our highest university priorities.

Duke's close ties with seven of Durham's public schools have resulted in increased arts programming, improvements in student achievement, enhanced teacher development, and rising principal satisfaction in those schools, according to school officials. In a January presentation to Durham School Board members, one principal explained how Duke helped her school advance out of its low-performing status by providing a wealth of tutors. Another told how Duke's Office of Information Technology has donated computers. Equally crucial was getting her teachers to make better use of the Internet in their classrooms with instruction from Duke librarians and financial support from a \$250,000 AT&T grant.

Durham school officials continue to give ringing endorsements of the Duke-Durham Neighborhood Partnership Initiative. "I've been on the board 13 years and have always appreciated Duke as a corporate citizen and its vast and wonderful contributions to the schools," school board chair Kathryn Meyers said in an interview with *Dialogue*. "But without direction and focus, it didn't translate into a sustained benefit. With the targeted focus we're seeing real positive results. I'd really like to explore the possibility of offering this as a model to other

schools and university communities."

If you drive on Markham Avenue by East Campus, you may notice that our new Trinity Heights housing for faculty and staff continues to take form. Currently, our real estate office has sold or placed under contract 26 of the 37 units (22 houses and 15 townhouses) to be built in Trinity Heights, another of our NPI partner neighborhoods. In addition to winning a design award from the Historic Preservation Society of Durham, we view this project as a positive response to a request from Trinity Heights residents for more owner-occupied housing and neighborhood stabilization. It is estimated that when the project is completed, some \$60,000 annually will be added to Durham tax rolls.

I am very pleased that Trustee spouses will receive a tour of these neighborhoods as part of our February meeting. Seeing the transformation, and hearing first-hand from neighborhood leaders about the importance of their collaborative relationships with Duke, really helps one appreciate the importance of the work we are doing.

Research

Our faculty and students continue to provide breakthroughs in varied fields. The following are some of the highlights of research results announced since our last meeting.

A new hydrothermal vent field, which scientists have dubbed "The Lost City," was discovered in December on an undersea mountain in the Atlantic Ocean by a team of researchers from Duke's Nicholas School of the Environment and Earth Sciences, the Scripps Institution of Oceanography, and other institutions. The surprising find occurred at 30 degrees North on the Mid-Atlantic Ridge. "If this vent field was on land, it would be a national park," said Duke structural geologist Jeff Karson, a co-principal investigator. Perhaps most surprising is that the venting structures are composed of carbonate minerals and silica, in contrast to most other mid-ocean ridge hot spring deposits which are formed by iron and sulfur-based minerals. The scientists say nothing like this submarine hydrothermal field has ever been previously observed. The Lost City Field was discovered while scientists were studying geological and hydrothermal processes that built a 12,000-foot mountain at this site. Duke science writer Monte Basgall was a member of the expedition team, reporting the team's findings to Duke and Scripps Web sites and the National Science Foundation, which funded the project.

In another major study funded by the National Science Foundation, Duke researchers were involved in another unexpected find, this time in Lake Titicaca in Bolivia and Peru. Scientists from five universities, including Duke, deduced from 25,000-year-old sediment core samples that, contrary to widely accepted previous analyses, tropical South America may have been wet rather than dry during the last Ice Age and later cold periods. Led by Duke earth sciences professor Paul Baker, the research team drew cores as long as 46 feet from the lake bottom at three different locations, where water depths were 121, 498 and 754 feet respectively. While the Peruvian government has monitored lake levels since 1915, the researchers claimed success at extending those records back another 250 centuries by analyzing the core sediments for their magnetic values, fossilized diatoms, which are tiny silica-encased aquatic algae, calcium carbonate concentrations, and oxygen isotope ratios.

Recent clinical trials at Duke have demonstrated that small measured doses of radiation delivered immediately after an angioplasty procedure can not only reopen a clogged stent, but keep the arteries from re-clogging. This approach has significantly reduced the number of times that heart patients must have repeat procedures to keep their arteries open. It is estimated that more than 100,000 patients in the United States need treatment for restenosis annually. "More than 75 percent of the approximately 1 million Americans who receive angioplasty

procedures each year also receive a stent, and of those patients, about 25 percent will experience restenosis . . . Before the advent of radiation treatments, there was nothing out there proven effective for restenosis," reports Duke cardiologist Dr. Michael Sketch Jr.

A study funded by the National Institutes of Health, the Department of Defense and Celsion Corp., found that a tiny fat-based spherical structure called a liposome, modified at Duke to be sensitive to mild heating, can triple the amount of an anti-cancer drug delivered to tumors in mice compared to other liposome-based drug-delivery methods. Because delivering anti-cancer drugs into tumors is one of the major hurdles in advancing potential drugs from the cell culture dish to clinical trials, this discovery could pave the way to improve the success of chemotherapy in humans. Human studies are believed to be more than a year away. The principal investigator is Mark Dewhirst, director of the Hyperthermia Program at the Cancer Center.

A study led by Chuan-Yuan Li, assistant professor of radiation oncology at the Duke Cancer Center, found that long-term genetic instability in cancer cells can be induced both by stresses that break DNA and those thought not to damage genetic material. Researchers say the stress-induced persistent genetic instability the research team described is likely to play an important role in the progression of cancer, even if not in the initiation of it, and might help explain the large number of mutations seen in cancer cells. If other stresses, such as chemotherapy drugs or steroids, are eventually shown to cause similar effects, the results could upset the prevailing view of the mechanism behind cancers developing resistance to therapy or becoming more aggressive, the scientists said. The work was funded by the National Cancer Institute and the Komen Foundation for Breast Cancer Research, as well as Duke.

An unusual gene-control mechanism called "imprinting" is at work on human chromosome 19, according to a study supported by the National Institutes of Health and led by Randy Jirtle, professor of radiation oncology at the Cancer Center. For imprinted genes, the gene copy that is turned on depends only on whether it came from the mother or father, rather than on the classic laws of Mendelian genetics, where genes are either dominant or recessive. To date, about 40 imprinted genes have been identified in humans, primarily on three specific regions of chromosomes, 7, 11 and 15. In the last year, other Duke researchers reported preliminary findings that suggest imprinted regions on chromosomes 7 and 15 are involved in autism.

In experiments using cell cultures and gene-altered mice, Duke researchers have found that switching on just two genes can induce considerable regeneration of damaged nerve fibers in the spinal cord. Their finding suggests that genetic therapy or drugs that activate perhaps only a handful of genes might be enough to induce regeneration of spinal cords in humans with spinal cord injury or other central nervous system damage. The scientists led by neurobiologist Pate Skene also said their in vitro method of testing the effects of such treatments on cultured nerve cells should speed research on such therapies. The work was supported by the National Institutes of Health, Novartis Pharmaceuticals, and the Christopher Reeve Paralysis Foundation.

Finally, Duke physicians have compiled the most comprehensive analysis to date concerning the safety and efficacy of St. John's wort. Overall, studies show St. John's wort to be a promising drug for treating depression. But Dr. Murali Doraiswamy, director of psychiatry clinical trials at Duke and senior author of the review, says research shows a need for caution, especially for patients on certain medications, including tetracycline, cyclosporin, protease inhibitors, digoxin, warfarin, some oral birth control medications, and those used for asthma. He reports there is some evidence that St. John's wort may induce certain enzymes in the liver to process those types of medications faster than usual, resulting in lower effective doses of those drugs in the body. The National Institutes of Health is funding a large study at Duke of the effectiveness of St. John's wort.

Awards and Honors

Matthew Baugh, an A. B. Duke Scholar from Raleigh, is Duke's 30th Rhodes scholar since 1917, and one of only 32 students selected from some 950 candidates for this prestigious award this year. Last March Baugh received a Truman scholarship to pursue graduate studies toward a career in public service. His academic work has concentrated on development studies and public health, and he is completing a self-designed major that focuses on the fields. At Oxford, Baugh plans to study under Adam Roberts, Britain's leading scholar on the politics of humanitarian intervention. This new field will also be the subject of his master's thesis. Ultimately, Baugh wants to help decide what types of humanitarian crises warrant foreign intervention in developing countries.

Later this week, *USA Today* is scheduled to announce that Baugh has received yet another honor. He is one of three Duke students who have been named to *USA Today's* 2001 All-USA College Academic Team. In each of the past 12 years, *USA Today* has selected 20 students who represent the finest in America's young scholars, both intellectually and in their commitment to service. In addition to Baugh, the Duke winners are Pooja Kumar and Brian Skotko. This is only the second time in the history of the award that one institution has had three winners selected. What makes this even more impressive is that all three of these seniors are Angier B. Duke Scholars as well as close friends and regular weekend dinner and debate partners. Skotko, who rooms with Baugh, was also named a Faculty Scholar last May. He is a biological anthropology and anatomy major with a minor in mathematics and certificate in neurobiology. He is looking forward to the publication this spring of his first book, *Without a Doubt: Celebrating Life with Downs Syndrome*, a compilation of motivational stories by families facing the genetic malady. Kumar is a Program II Scholar who designed her own curriculum in health policies and social values. She is applying to medical schools with the idea of one day working as a physician in the field of international health. Each student will receive a \$2,500 cash award and crystal trophy.

Duke is one of 16 colleges and universities recognized by the Association of American Colleges and Universities for innovations in undergraduate education. The 16 institutions will become part of the Greater Expectations Consortium on Quality Education. The selected schools, dubbed "Leadership Institutions," were chosen for innovations in their curriculum, pedagogy, and organizational structure. At all of them, the campus culture supports undergraduates both within and outside the classroom. Duke and others were cited for linking the liberal arts and professional study and for offering students the opportunity to learn through off-campus work in community projects. The institutions were also cited for emphasizing critical thinking about complex problems and the ability to contribute to a diverse society in their education. One of the goals of the new consortium will be to share successful teaching practices more broadly both within higher education and with high schools.

Dr. Robert J. Lefkowitz, a Howard Hughes Medical Institute Investigator at Duke Medical Center, has been awarded the Jessie Kovalenko Medal by the National Academy of Sciences. The medal, presented only every three years, was given to Lefkowitz for his discovery of a "superfamily" of genes that code for protein receptors entwined within the cell membrane and translate hormonal signals in the bloodstream into a vast array of physiological functions within the cell. These functions include hormonal control of perception of light, taste, smell, and pain, as well as the effects of many therapeutic drugs. Basic research by Lefkowitz and his colleagues not only helped launch the search for these receptors, which now includes a thousand or more, but also laid the groundwork for developing new analgesics, blood pressure regulators, and other drugs.

Trustee Emeritus J. B. Fuqua received the 2000 Shining Light Award in December at a ceremony in the Atlanta Botanical Garden. The award presented by Atlanta Gas Light and WSB Radio recognizes a Georgian who has been an inspiration to the lives of others through service to humanity. Also in December, Trustee Ernest Mario was awarded the rank of Distinguished Eagle Scout by the National Eagle Scout Association. In the 34-year history of the Distinguished Eagle Scout awards, only 1,460 Americans have received this recognition for their contributions to society and volunteer work in their communities.

Finally, earlier this month, the Cameron Indoor Stadium concourse was named for basketball coach Vic Bubas, who led the Blue Devils to three Final Four appearances during the 1960s. A permanent display honoring Coach Bubas, which includes a multitude of memorabilia commemorating the history of Duke basketball, will be established on the concourse. During his 10-year tenure, Coach Bubas compiled a 213-67 record at Duke and directed the school to Final Fours in 1963, 1964, and 1966, and four ACC championships. For six consecutive seasons, the Blue Devils finished among the nation's top 10. The concourse was part of a \$1 million fund-raising campaign chaired by former Duke All-America and 1964 team captain Jeff Mullins in coordination with Associate Director of Athletics Susan Ross. Coach Bubas and his wife, Tootie, who currently reside in Bluffton, South Carolina, were joined by about 140 coaches, players, and friends at the dedication prior to the game. Our chairman, Spike Yoh, presented a resolution from the Trustees honoring Coach Bubas at halftime of Duke's men's basketball team's victory over Florida State.

Washington Issues

I am very pleased to report that the recent election cycle brought success to several of our alumni. Shelly Moore Capito of West Virginia was elected to the U.S. House of Representatives, succeeding Duke alum Bob Wise, who was elected governor of West Virginia. This means that once again, Duke alumni will constitute two-thirds of the congressional delegation in that state; Congressman Nick Rahall, who was reelected, is also a Duke graduate. Duke alumnus Robin Hayes and the entire congressional delegation from North Carolina also were reelected. We have relied greatly on our delegation's support of federal financial aid and research programs, and are encouraged that we can work with them in these important arenas again. In addition, two Duke alumni have been appointed to serve in senior positions in the Bush Administration: C. Dean McGrath, Jr., Deputy Chief of Staff to Vice President Cheney, and David S. Addington, Counsel to the Vice President.

Last year was a banner year for funding of research. The fiscal budget for FY 2001 included a major funding increase for the National Institutes of Health, with a 14.2 percent increase over the prior fiscal year. NIH is the principal source of federal research support for our faculty. Many of the other science agencies on which we greatly depend, particularly the National Science Foundation, the Department of Defense, and the Department of Energy, realized significant budget increases from the prior fiscal year. Real progress was also achieved on the financial aid front. Congress provided the largest single-year increase in history for federal need-based student financial aid programs, with the maximum amount for the Pell Grant award increased by \$450 to a total of \$3,750 per year. Funds for Perkins Loans, Federal Work-Study, Leveraging Educational Assistance Partnership (LEAP) Grants, and Supplemental Educational Opportunity (SEOG) Grants were also boosted significantly.

Duke University Medical Center and Health System leaders are also very pleased by the passage of legislation that will provide \$35 billion in Medicare relief over a 5-year period, including approximately \$11.55 billion for hospitals and health systems. This relief will help lessen the unintended negative impact of the Balanced Budget Act on the nation's teaching hospitals. Chancellor for Health Affairs Ralph Snyderman tells me DUHS officials estimate that over the next two years, this legislation could mean more than \$7 million in increased Medicare reimbursements to the Duke University Health System.

Director of Federal Relations Nan Nixon is arranging my visit to Washington in March to meet with Bush Administration officials and congressional leaders, including members of the North Carolina congressional delegation. I hope to encourage continued momentum for funding increases both for research and student financial aid. We are encouraged that the Bush Administration has indicated its support for the IRA charitable rollover proposal that would allow individual taxpayers over the age of 59 to withdraw funds from an IRA for a charitable transfer on a tax-free basis. We are concerned about the proposed repeal of the estate tax, which

many scholars, including Duke Law Professor Richard Schmalbeck, predict will have a significant negative effect on charitable bequests and philanthropy. We also are carefully watching tax proposals designed to help students and their families pay for college. Particularly important among these is a proposal to exclude the full amount of scholarships and fellowships from taxable income, which could be a real plus for Duke graduate students, especially those who carry debt burdens from financing their undergraduate education.

In the Performing Arts . . .

I am pleased to report that more people visited the Duke University Museum of Art this past fall than any previous season, thanks in large part to an exhibition of paintings and sculptures from historically black colleges and universities and a new level of partnership with peer institutions. The exhibition, titled "To Conserve a Legacy," ran from October 14 through December 3, and during that seven-week period it helped attract a record attendance of more than 4,200 patrons. "To Conserve a Legacy," which premiered at the Studio Museum of Harlem last year, is a traveling exhibition that features more than 200 works by American artists such as John Biggers, Romare Bearden, Jacob Lawrence, and Elizabeth Catlett. Created from the holdings of six historically black colleges and universities, the show was too large to exhibit at any one local venue, so Duke and North Carolina Central University forged a first-of-its-kind partnership between their respective museums. Not only did Duke and NCCU jointly exhibit the show, but they also pooled their invitation lists and their resources to come up with an advertising budget of roughly \$14,000, much more money than either school ordinarily allocates alone. As a result, Museum Director Michael Mezzatesta reports we were able to reach people in the community who don't ordinarily visit DUMA.

Architect Rafael Viñoly will be on campus while the Trustees are meeting to present his work in this year's Semans Lecture and will informally present his design for the proposed Nasher Museum of Art to the Buildings and Grounds Committee during our February meeting. It's a lovely and exciting design, and while we still have a fund-raising challenge before us, I am encouraged by the progress we are making.

In Other News . . .

Duke's payroll system, which has become increasingly stressed in the past few years with the addition of two new hospitals and 3,000 employees to the Duke University Health System, is being changed so more time will be allowed for calculating and processing biweekly payroll checks. Duke's current payroll system is more than 20 years old, is very complicated, and produces paychecks five workdays after the end of the pay period, as opposed to the industry standard of eight to 10 days. The margins for error are very small - so small that one minor problem can prevent biweekly paychecks from being issued on time. Under the new system, Duke will pay biweekly employees 12 days after the end of the pay period, which will help ensure that employees will always receive their pay on time. This transition will result in a one-time, three-week gap between paychecks for all biweekly employees at the university and in the health system. To minimize any inconvenience for employees, Duke is providing biweekly employees with a one-time extra week's pay. I applaud Executive Vice President Trask, Vice Chancellor Donelan, and their colleagues for recognizing the importance both of modernizing our payroll system and for developing a transition plan that will ensure that our employees are not disadvantaged as we change to the new system.

I am pleased to report that the N.C. Division of Facility Services has lifted probationary status for the trauma center at Duke University Medical Center. The action came after a follow-up site visit found that problems cited last March were corrected. State officials last year reported concerns with response time and training issues with

trauma center medical staff. To correct these deficiencies, Duke spent \$1.2 million to support the trauma program and invested an additional \$700,000 to meet the latest regulatory requirements cited by the review team, primarily in having the trauma surgeons on site at all times. This funding does not include the costs of serving indigent trauma patients. North Carolina has 10 trauma centers, five of which are designated as Level 1 centers, the highest of three levels. Duke has been a Level 1 center since 1982. To be rated by the state office, trauma centers voluntarily submit to thorough periodic reviews by the Office of Emergency Medical Services and leading medical professionals who pore over records to assure that patients receive the most timely, appropriate care available, and to assure that the center meets stringent performance guidelines.

Finally, members of the university community and our Durham neighbors once again experienced a marvelous array of events during our four-day commemoration of the Rev. Martin Luther King Jr.'s birthday in January. The commemoration focused on South Africa and the "three R's" - remembrance, reconciliation and restitution - that have emerged as that country deals with its apartheid history. Highlights included a performance by the critically acclaimed acting couple and longtime civil rights activists Ossie Davis and Ruby Dee; a keynote speech by Dr. Mamphela Ramphele, a physician, anti-apartheid activist, and managing director of The World Bank, who spoke at a service of celebration in Duke Chapel; and a stirring sermon by former U.S. Ambassador to South Africa James Joseph, now professor of the practice of public policy and leader-in-residence in the Hart Leadership Program at Duke. In another outreach to the community, university students hosted about 60 Durham elementary students for a day of civil rights lessons, service projects, and fun.